

YOUTH SERVICES POLICY

Title: Social Service and Prevention/Diversion Contract Monitoring Next Annual Review Date: 05/18/2016	Type: D. Community Based Services Sub Type: 8. Community Placement Programs Number: D.8.1
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References: La. R. S. 39:1481 through 39:1526 "Chapter 16. Professional, Personal, Consulting, and Social Services Procurement", YS Policy Nos. A.4.1 "Contract Policy", A.4.2 "Standard Operating Procedures for Non-Secure Care", A.4.3 "Standard Operating Procedures for Providers of Female Residential Treatment Programs" and ACA Standards 2-CO-1C-17, 2-CO-1B-10 (Administration of Correctional Agencies), 2-7101, 2-7102, 2-7103, 2-7104, 2-7105, 2-7108, 2-7109, 2-7111, 2-7112, 2-7113, 2-7114, 2-7115 (Juvenile Probation and Aftercare Services)	
STATUS: Approved	
Approved By: Mary L. Livers, Deputy Director	Date of Approval: 05/18/2015

I. AUTHORITY:

Deputy Secretary of Youth Services (YS) as contained in La. R.S. 36:405. Deviation from this policy must be approved by the Deputy Secretary

II. PURPOSE:

To establish the contract monitoring process for Community Based Services (CBS) programs within YS.

III. APPLICABILITY:

Deputy Secretary, Assistant Secretary, Undersecretary, Chief of Operations, Deputy Assistant Secretary, General Counsel, Regional Directors, CBS Program Manager, Regional Managers, and all employees of CBS.

IV. DEFINITIONS:

Case File Audit Tool – A tool utilized by the assigned contract monitor to determine contract service grid compliance on individual youth case files.

Community Based Services - Formerly known as the Division of Youth Services, CBS includes all regional offices located throughout the state.

Contract Monitor – The CBS Program Specialist assigned to ensure contract compliance.

Contract Monitoring Tool – A comprehensive monitoring tool utilized by the assigned contract monitor to determine overall contract compliance through review of identified program areas and consolidation of Case File Audit tool data.

Juvenile Electronic Tracking System (JETS) - The centralized database utilized to track all youth under OJJ supervision or in OJJ custody and to record all case record activity.

Justice Benefits, Inc. – A company that specializes in federal entitlement programs and time studies for state and local government entities.

Local Court Contract – An agreement that allows juvenile courts to participate in the Title IV-E Federal Foster Care Reimbursement Program.

Random Sample – A sample of youth attending social service contract programs whose case files are randomly identified through the SAS database and reviewed by the assigned contract monitor during the contract monitoring process.

Random Selection – A random sample of youth attending a prevention and diversion program, selected by the assigned contract monitor from the previous month's invoice, whose case files are reviewed during the contract monitoring process.

Prevention/Diversion Contract – An OJJ issued contract with a community-based contractor to provide services such as after school programs, Teen Court and/or court advocacy to youth who may or may not be in the custody of or under the supervision of OJJ. Prevention/Diversion contractors are sought and selected through the funding application process.

Program Data Report – A semi-annual report, compiled by the assigned CQIS Program Specialist, which compiles data gathered during the contract monitoring process. Program Data Reports are analyzed by executive staff for decision making purposes.

Social Service Contract – An OJJ issued contract with a community-based contractor to provide services such as non-secure residential, tracker, mentor, and/or reintegration services to youth in the custody or under the supervision of OJJ. Social service program contractors are sought and selected through the Request for Proposals process.

Title IV-E – The Federal Foster Care Reimbursement Program.

YS Central Office Executive Staff – Deputy Secretary, Assistant Secretary, Undersecretary, Chief of Operations, Deputy Assistant Secretary, General Counsel, and Regional Directors.

V. POLICY:

It is the Deputy Secretary's policy that the youth safely receive effective and efficient high quality services while assigned to community based treatment programs under contract with OJJ.

Safety, security, service delivery and fiscal compliance shall be continuously monitored by CBS throughout the term of the contract.

VI. PROCEDURES:

- A. Upon contract execution, each program shall be assigned a Program Risk Rating based on program type. The following guidelines are the minimum risk requirements:
 - 1. Residential programs, such as group homes and intensive residential programs shall be designated as **High** risk.
 - 2. Programs serving non-residential OJJ youth, such as tracker, mentor, and reintegration shall be designated as **Moderate** risk.
 - 3. Prevention and diversion programs contracted through the funding application process shall be designated as **Low** risk.
- B. Program monitoring schedules shall be based, at a minimum, upon Program Risk Ratings as follows:
 - 1. High Risk Programs shall be monitored monthly;
 - 2. Moderate Risk Programs shall be monitored bimonthly; and
 - 3. Low Risk Programs shall be monitored quarterly.
- C. At the Program Manager's discretion, or when a program is rated as "Needs Improvement" or "Noncompliant" on the Contract Monitoring Tool for two (2) consecutive monitoring visits, the program shall be monitored at a higher level of risk until all compliance deficiencies have been corrected.
- D. Annually, the Program Manager shall assign cross monitoring of High and Moderate Risk Programs. The goal is to ensure consistency in contract program monitoring.
- E. The assigned contract monitor shall be responsible for conducting all monitoring activities. Other CBS staff may assist in the monitoring process as needed.
- F. All contract monitoring activities, including site visits, sent/received correspondence, telephone calls, performance/outcome measure data reports, annual reports and correctional action plans shall be recorded/uploaded into the Contract Monitoring section of the OJJ SharePoint database by the assigned contract monitor.

VII. CONTRACT MONITORING PROCESS:

- A. The assigned contract monitor shall utilize the following methods to identify cases for review:

1. For social service contract programs, the assigned contract monitor shall make a request via email to the assigned CQIS program specialist for a contract monitoring random sample based on the program risk rating described in Section VI. D. within five (5) days prior to the beginning of the monitoring month. The assigned CQIS program specialist shall submit the contract monitoring random sample to the assigned contract monitor within three (3) working days prior to the beginning of the monitoring month.
2. For prevention/diversion programs, the assigned contract monitor shall make a random selection of twenty (20) percent or 5 names from the previous month's invoice, whichever is fewer.
3. For local court monitoring, the assigned contract monitor shall review all requests for candidacy to determine if the case is eligible for reimbursement through the Title-IV program.

In addition, twice annually, the contract monitor will audit a sample of all cases previously determined to be candidates for the Title IV-E program.

The contract monitor shall request an audit sample from Justice Benefits Inc. prior to the scheduled audit. The list shall be comprised of youth who were determined to be candidates during the period under review.

- B. The assigned contract monitor shall visit the program in accordance with the risk rating and complete a Case File Audit tool for each youth file identified in the random sample/selection.
- C. Data gathered during file review shall be consolidated and entered into the appropriate sections of the contract monitoring tool. All other sections of the contract monitoring tool shall be completed as well during the contract monitoring visit.
- D. Case File Audit Tool (CFAT) and Contract Monitoring Tool data shall be entered into the SharePoint Contract Monitoring database within five (5) working days following the monitoring/site visit. The following procedures shall be followed when entering Case File Audit tools into the Share Point Database:
 1. The assigned contract monitor shall create a folder labeled "CFAT" including the program name, monitoring month and year within the contract folder of the Share Point Contract Monitoring Database.

2. Case file audit tools completed during the monitoring month shall be saved in the appropriate “CFAT” folder.

“CFAT” folders should contain case file audit tools that correspond with the names identified in the contract monitoring random sample/selection for the monitoring month.

3. Contract monitoring data shall be entered into the “month” tab of the contract monitoring tool that corresponds with the monitoring month.

- E. All contract monitoring activities shall be memorialized in the Activity Log located in the Contract Monitoring section of the SharePoint database. The format for narrative entries shall be as follows:

1. Date of activity;
2. Heading; and
3. Brief narrative describing activity

Activity Log entries for contract monitoring visits should include, at a minimum, the names of youth whose files were reviewed, a brief list of deficiencies, the name of the facility representative with whom contact was made and the program compliance score.

- F. After conducting the monitoring visit, the assigned contract monitor shall verbally notify the contractor of any area(s) of noncompliance, and may give the contractor the opportunity to correct areas of noncompliance prior to completion of the monitoring visit.
- G. Within five (5) working days, the assigned contract monitor shall follow up with a written notice, via certified mail, that identifies the remaining area(s) of noncompliance and directs the contractor to submit a plan to bring these areas into compliance with timeframe(s) for completion.
- H. Within five (5) days of receipt of the contractor’s corrective action plan, the assigned contract monitor shall verify that the plan adequately addresses all areas of noncompliance within the allotted timeframe(s).
- I. The assigned contract monitor shall verify that all areas of noncompliance were corrected prior to expiration of the corrective action plan timeframe(s), and give written approval of the corrective action plan.

VIII. FISCAL MONITORING:

The assigned contract monitor shall review and verify contractor invoices by the 5th day of the month following service delivery. Invoices received after the 10th day of the month following service delivery shall be reviewed within five (5) working days following receipt of the invoice.

A. Prevention and Diversion Invoice Review and Verification

The assigned contract monitor shall verify at least 300 of the participants/ service units listed per prevention/diversion invoice, unless it exceeds 300 service units. If that is the case, the assigned contract monitor shall verify the service units of a random selection of ten percent (10%) of participants listed on the invoice.

The assigned contract monitor shall do the following:

1. Review the invoices and supporting documentation to confirm the date stamp and receipt by the 10th of the month following service delivery.
2. Confirm all required invoice fields are completed. Incomplete invoices shall be returned to the contractor for completion and resubmission prior to approval.
3. Confirm the invoice date and the contractor's signature.
4. Confirm all participant sign-in sheets for the invoice period are attached to the invoice.
5. Review the attached participant sign-in sheets to confirm the following:
 - a. Sign-in sheets are signed and dated by a certifying official; and
 - b. Participant signatures on the sign-in sheets appear to be original (not one person signing for multiple people).
6. Ensure the sign-in sheets contain adequate information, such as participant names and time-in/time-out, to support the total service units per the invoice.
7. Confirm that the invoice Unit Cost matches the contracted rate.
8. Confirm Total Cost/Client and the total invoice amount are mathematically correct.
9. Confirm invoice payments do not exceed the contractually allowed amounts.
10. Document invoice errors and disallowed charges and adjust the invoice total as necessary. Ensure that revised invoices clearly reflect the corrected amount to be paid. (For example, a line shall be drawn through the errors and the correct amount written in and initialed by the person making the corrections. All corrections shall be initialed. The modified invoice shall be copied and mailed or scanned to the provider so they are aware of any changes.)

B. Social Service Program Invoice Review and Verification

The assigned contract monitor shall do the following:

1. Complete Section VIII. A., steps 1-3 above;
2. Confirm participant service dates on the invoice match service dates in JETS;
 - a. If JETS is not used to verify service dates, document the method of verification and update JETS accordingly; and
 - b. Confirm there is no per diem charged for the date of discharge.
3. Complete Section VIII. A., steps 7-10 above.

C. Annual Financial Compliance Review

The assigned contract monitor shall conduct an on-site financial compliance review at least once per contract year. In preparation for the financial compliance review, the assigned contract monitor shall do the following:

1. Obtain the following documents:
 - a. Copy of contract and amendments, if applicable;
 - b. Copy of approved budget and narrative from contract;
 - c. Findings from previous financial compliance assessment, if any;
 - d. Contractor's financial statements (audited if available);
 - e. Contractor's trial balance (list of accounts and the total balance in each account) and general ledger detail (a detail of activity by account);
 - f. Year-to-date (YTD) salary listing (list of individuals employed with total hours and salaries for the year) along with contractor's reconciliation to the general ledger;
 - g. Contracts related to professional services (such as Counseling, Accounting, Medical and Consulting sServices);
 - h. Listing of equipment acquisitions that are part of the YS funding request; and
 - i. Invoices paid during the test period.
2. Prepare schedules in the Financial Compliance Workbook for the following:
 - a. Budget and funding request from the contract (Budget tab);
 - b. The contractor's trial balance [Trial Balance (TB) tab];
 - c. A comparison of the budget and trial balance amounts – calculate the difference and the percent (%) difference (Budget vs. TB tab);

- d. A summary of the fringe benefits and total payroll – total the amounts from the TB (Fringe Benefits tab); and
 - e. Document total days paid during the testing period (Adjustments tab).
3. Perform the following Analytical Procedures:
- a. Review findings from the previous compliance assessment;
 - b. Budget and General Ledger –
 - 1) Determine which accounts are part of each budget line (TB tab);
 - 2) Review comparison of actual expenses (from TB) to budgeted expenses by line item and note fluctuations greater than fifteen percent (15%) **and** \$1,000 – (Budget vs. TB tab); and
 - 3) Reconcile the TB to the general ledger. The amounts from the TB should balance with general ledger totals (TB) tab.
 - c. Salaries and Fringe Benefits:
 - 1) Consider the reasonableness of the fringe benefits by dividing total fringe benefits by total payroll expense and determining whether the rate appears reasonable. An expected rate would not exceed 30% (FB tab). If it does exceed 30%, document same in notes;
 - 2) Review the YTD salary list and reconcile it to the total actual salaries expense per the contractor's TB. The amounts from the YTD salary list should agree with the TB. If there is no reasonable explanation, document this is a finding; and
 - 3) Verify that the salaries on the YTD salary list are reasonable compared to the approved budget and related narrative.
 - d. Audited Financial Statements (if applicable):
 - 1) Reconcile the total expenses from the audited financial statements to the total expenses per the trial balance; and
 - 2) Review the audit report and notes to the financial statements. If there are any unusual items noted, document on the audit report whether those items should be tested (Expenses tab).
 - e. Sample size shall be at a minimum:
 - 1) Three (3) invoices per account; and

- 2) Ten percent (10%) of the line item.
4. Review the detailed general ledger and select a sample of invoices from each budget line item, excluding Salaries & Fringes and Professional Services; these are tested separately (Expenses tab).
Sample size shall be at a minimum as follows:
 - a. Three (3) invoices per account; and
 - b. Ten percent (10%) of the line item.
5. During the on-site review, the assigned contract monitor shall do the following:
 - a. Inquire regarding any questions based on performance of analytical procedures from Section VIII.C.1.c.;
 - b. Follow-up with the contractor on requested documents, explanations and samples;
 - c. Physically view the equipment acquisitions identified in the listing of equipment acquisitions (if any per the YS funding request); and
 - d. Obtain payroll reports for six (6) pay periods.
6. Following the on-site review, the assigned contract monitor shall do the following:
 - a. Document date and time of assessment;
 - b. Document completion of Financial Compliance Assessment;
 - c. Create a list of findings and adjustments noted from fieldwork (Adjustments tab), if any;
 - d. Indicate whether the finding/adjustment is a repeat from the prior year compliance assessment, if applicable; and
 - e. Apply any adjustments to the contractor's TB and compare the total expenses to the YS Funding Request, consider whether the per diem should be adjusted and if any amount is due to YS/OJJ based on multiple adjustments (Adjustments tab).
7. Hold a closing conference with the contractor;
 - a. Discuss any findings and adjustments; and
 - b. Inform provider of timeline to correct findings, and the right to request review of findings and proposed recommendations by the Deputy Secretary, when applicable.
8. Submit Financial Compliance Assessment to Supervisor for review.

9. Maintain documentation of Financial Compliance Assessment in the contractor's file. Forms and reports associated with the Annual Financial Compliance review (including the Financial Compliance Workbook) shall be uploaded to the SharePoint Contract Monitoring database.
10. Update tracking database with findings.

IX. DATA ANALYSIS/VERIFICATION:

- A. Annually, and at least ninety (90) days prior to the end of the contract term, the assigned CQIS Program Specialist shall create an annual "Program Analysis Report" which compiles program performance and outcome measure data, CPC ratings and overall contract compliance scores in a "Contract Monitoring Program Analysis Report".
- B. The "Program Analysis Report" shall be submitted to the Chief of Operations within six (6) weeks following completion of the period under review.

(Program Analysis Reports shall be uploaded to the appropriate Regional Service Area folder in the "Shared Documents" section of the SharePoint Contract Monitoring database.)

Previous Regulation/Policy Number: D.8.1
Previous Effective Date: 04/14/2015
Attachments/References: